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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

DEFENSE DIVISION

B-174178

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OCT 20 1971



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Dear Mr. Secretary:

We have recently completed our survey of the management of civilian personnel offices as outlined to you in our letter of October 31, 1969.

We visited 17 civilian personnel offices in Texas (see enclosure), and found that although regulations from the Office of the Secretary of Defense (OSD) and from the military departments recommend use of consolidated personnel offices, the departments had not promoted consolidations at the installations we visited.

EXISTING POLICIES AND REGULATIONS NOT APPLIED

OSD policy recommends that each military department use the services provided by another department's local civilian personnel office where economical and practical. OSD instructions state that commanders who desire support from another department's civilian personnel office will request the support from the command having jurisdiction over that office.

The Army, Navy, and Air Force also have guidelines for establishing civilian personnel offices. The guidelines recommend consolidation of these offices when it is economical, practical, and mission effectiveness is not impaired. Under the departments' regulations, activity commanders are responsible for managing and determining the need for consolidated personnel services.

Our survey indicated that these policies and regulations, recommending the use of consolidated personnel offices, are not being effectively applied.

The Army operated two civilian personnel offices at Fort Sam Houston, San Antonio, Texas. One office serviced about 3,400 civilian tenants at the installation; the other office serviced about 1,700 civilian employees at the Brooke Army Medical Center, an Army Surgeon General activity at Fort Sam Houston. Air Force civilian personnel offices operated at each of the five Air Force activities in and around San Antonio. Three of these activities--Kelly Air Force Base, Lackland Air Force Base, and the Headquarters, Air Force Security Service--are adjacent.

The Army operated a civilian personnel office at the Corpus Christi Naval Air Station to serve about 4,600 civilian employees of the Army

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Aeronautical Depot Maintenance Center, located at the station. The Navy also operated a civilian personnel office at the station to serve about 1,300 Navy employees.

POTENTIAL BENEFITS OF CONSOLIDATED SERVICES

All civilian personnel offices perform common functions in clerical and administrative support. We believe that these functions could be economically consolidated into a single office in each geographical area. We found no indication that such consolidations at the locations visited would impair mission effectiveness.

Savings in Personnel Costs

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In the San Antonio area, the two Army and five Air Force personnel offices operated with authorized staffs totaling 408 employees and provided services to a total authorized work force of about 37,600 people. Using Air Force standards for staffing these offices (explained below), we estimate that this work force could be provided the necessary personnel services by a single office staffed with 310 employees. Such action would result in a reduction of 98 personnel office employees and would enable the Government to realize annual savings in payroll costs of more than one million dollars.

The Army and Navy personnel offices at the Corpus Christi Naval Air Station had authorized staffs totaling 85 employees and provided services to a total authorized work force of about 5,900 people. Using the Air Force staffing standards, we estimate that this work force could receive its required personnel services from a single office staffed with 66 employees. The resulting reduction of 19 personnel office employees would enable the Government to realize annual savings of \$180,000 in salary costs at the air station.

Economic consolidation may be feasible in the other areas we visited but we concentrated on those with the most convenient proximity for consolidation.

We used the Air Force standards to estimate staffing requirements for the local central office because these standards identify the number of employees with specific occupational skills for staffing personnel offices serving civilian work forces in a range of sizes. The Army and Navy staffing guides identify the total number of personnel required to serve given work forces, rather than the specific occupational skills required.

The total personnel strength of all civilian personnel offices throughout the continental United States is currently about 13,000 employees. Information developed during our survey indicates that consolidating personnel offices by geographical areas could lead to a

reduction in this employment level ranging between 2,000 and 4,000 employees. We estimate that such a reduction would result in annual savings in Government payroll costs of more than \$20 million.

Other Benefits of Consolidation

One central personnel office in each location operating under unified policies, procedures, and regulations could aid in assuring consistent administration, on a local basis, of defense-wide personnel programs such as equal employment opportunity. Also, relations with local interagency boards, employment commissions, job applicants, labor groups, minority groups, and local communities in general could be through one office.

Numerous personnel forms--some with the same purposes--were used by each Department of Defense activity we visited. Opportunities to eliminate duplicate forms would be readily identified, if one personnel office provided all personnel services in a location. Although the achievable benefits in simplified operations and reduced costs from the elimination of duplicate forms cannot be fully determined at this time, they appear to warrant consideration.

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CONCLUSIONS AND RECOMMENDATIONS

It is the official policy of the Department of Defense to consolidate civilian personnel offices when economical and practical. Our survey has indicated that this policy has not been effectively applied, and the Department has therefore not realized the savings achievable from such consolidations.

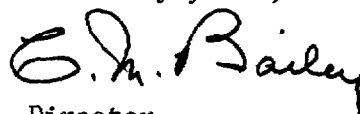
We recommend that the Department of Defense take action to initiate a pilot program consolidating the seven civilian personnel offices in the San Antonio area and consolidating the two at Corpus Christi. After an appropriate test period of about one to two years, we suggest that the Department of Defense carefully analyze the results for application to civilian personnel offices throughout the United States, and possibly, the world.

We plan no further reporting or reviewing of these matters at the present time.

This report is subject to the provisions of section 236 of the Legislative Reorganization Act of 1970. We will appreciate receiving copies of the statements you furnish the specified committees in accordance with these provisions.

Copies of this letter are being sent to the Secretaries of the Army, Navy, and Air Force and to the Appropriations, Armed Services, and Government Operations Committees of the Senate and the House of Representatives.

Sincerely yours,

A handwritten signature in cursive script that reads "E. H. Bailey". The signature is written in dark ink and is positioned above the printed name "Director".

Director

Enclosure

The Honorable
The Secretary of Defense

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ENCLOSURE

LIST OF INSTALLATIONS VISITED AND
SELECTED CIVILIAN STAFFING INFORMATION

<u>Activity and location in Texas</u>	<u>Total population of activities serviced</u>	<u>Civilians assigned to personnel office</u>	
		<u>No.</u>	<u>Average salary</u>
<u>Army</u>			
Army Aeronautical Depot Maintenance Center, Corpus Christi	4,592	53	\$ 9,848
Army-Air National Guard, Austin	1,654 ^b	10	9,435
Brooke Army Medical Center, San Antonio	1,752	24	10,707
Fort Hood, Killeen	3,644	35	11,064
Fort Sam Houston, San Antonio	3,482	34	10,081
<u>Navy</u>			
Naval Air Station, Beeville	468	7	9,037
Naval Air Station, Corpus Christi	1,314	22	9,498
Naval Air Station, Kingsville	359	5	8,895
<u>Air Force</u>			
Bergstrom Air Force Base (AFB), Austin	636	9	10,203
Brooks AFB, San Antonio	946	17	12,693
Goodfellow AFB, San Angelo	402	5	11,689
Kelly AFB, San Antonio	24,745	225	10,935
Lackland AFB, San Antonio	2,810	35	11,124
Laredo AFB, Laredo	541	10	10,824
Laughlin AFB, Del Rio	641	9	9,954
Randolph AFB, San Antonio	2,844	41	10,828
Headquarters, Security Service, San Antonio	<u>1,074</u>	<u>23</u>	10,653
TOTALS - 17 activities	<u>51,904</u>	<u>564</u>	<u>\$10,678^a</u>

^aTotal is an average based on total salary divided by total employees.

^bThis civilian personnel office serves Army and Air National Guard technicians in 130 cities and towns within the state.